



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2019 Biennium

Bill #	HB0450	Title:	Revise assumption of criminal jurisdiction of Flathead Indian country laws
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Primary Sponsor:	Hertz, Greg	Status:	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>
Expenditures:				
General Fund	\$4,011,972	\$4,131,972	\$4,255,752	\$4,383,242
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$4,011,972)</u>	<u>(\$4,131,972)</u>	<u>(\$4,255,752)</u>	<u>(\$4,383,242)</u>

Description of fiscal impact: HB 450 requires reimbursement from the Montana Department of Justice (DOJ) to counties for net costs associated with enforcing criminal jurisdiction on the Flathead Indian Reservation. This fiscal note reflects the estimated cost to reimburse Lake County. Note: The costs for reimbursement to other law enforcement agencies on the reservation cannot be estimated.

FISCAL ANALYSIS

Assumptions

Reimbursement Costs

- Public safety costs in Lake County include the county attorney's office, costs to operate the county jail, and costs to operate the sheriff's office are estimated to be \$5.7 million.
- It is estimated that 70% of county attorney prosecutions in Lake County are related to American Indians.
- Therefore it is assumed that 70% of the \$5.7M budget (or \$4.0 million) would be billed to the state.
- It is assumed this amount would be paid to Lake County each year. A 3.0 % inflation factor is applied for FY 2019, FY 2020, and FY 2021.
- The cost for enforcing criminal jurisdiction by other law enforcement agencies (including cities and towns) aside from Lake County cannot be determined but would increase the fiscal impact to the state.

Administrative Costs

6. It is assumed that the Department of Justice, Central Services Division (CSD) will have additional responsibility to track, audit, and pay invoices submitted by law enforcement agencies seeking reimbursement for costs incurred to enforce criminal jurisdiction on the Flathead Indian Reservation.
7. The CSD would contact each law enforcement agency to verify compliance with the reimbursement parameters set forth in HB 450.
8. This verification as well as processing invoices and conducting a monthly reconciliation would require a 0.25 FTE. Salary and benefits are estimated at \$11,972 per year
9. An inflation rate of 1.5% was applied to FTE costs in FY 2020 and 2021.

	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.25	0.25	0.25	0.25
<u>Expenditures:</u>				
Personal Services	\$11,972	\$11,972	\$12,152	\$12,334
Local Assistance	\$4,000,000	\$4,120,000	\$4,243,600	\$4,370,908
TOTAL Expenditures	<u>\$4,011,972</u>	<u>\$4,131,972</u>	<u>\$4,255,752</u>	<u>\$4,383,242</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$4,011,972	\$4,131,972	\$4,255,752	\$4,383,242
TOTAL Funding of Exp.	<u>\$4,011,972</u>	<u>\$4,131,972</u>	<u>\$4,255,752</u>	<u>\$4,383,242</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$4,011,972)	(\$4,131,972)	(\$4,255,752)	(\$4,383,242)

Technical Notes:

1. If funding is provided in HB 2 for reimbursements required by HB 450, and the funds appropriated are not sufficient to cover the submitted invoices, the state may be subject to the implications of Section 1 (5) prior to the time that additional funding could be sought from the legislature.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date